

**Wayne Economic Development Corporation
Loan Review Committee
September 18, 2023**

Meeting Minutes

The Loan Review Committee meeting started at 11:00 a.m. Members present were C.J. Britt of LNB (via Zoom), Corey Kayhart of Farm Credit East (via Zoom), and Amanda McDonald of LNB (in person). Absent was committee member Kevin Groff. Additional attendees included staff members Brian Pincelli, CEO; Katie Bronson, COO; Jamie Corteville, CFO; Ariel Camp, Economic Development Specialist; and Cadie Meehan, Assistant Secretary. Applicant in attendance was Lori Kennedy of K2 Brewing (via Zoom).

Mr. Pincelli introduced Lori Kennedy, who is helping to manage finances for K2 Brewing. He explained that the K2 project is covered under a PILOT agreement. Ms. Kennedy was unaware that property taxes would be due this year, so K2 and the WEDC are exploring the possibility of a one year capital loan. Ms. Kennedy informed the Committee that all preliminary work for production is complete; however, it will be another month or so before the system is installed and ready for use. She is hopeful that the taproom and restaurant portion will be operating in six weeks' time and believes the influx of cash flow will allow the company to address any outstanding payments. Ms. Corteville explained to Ms. Kennedy that the final payment on the potential GAIN loan and property taxes payment will be due on the same day in September of next year; Ms. Kennedy expressed understanding. She then thanked the Committee for their assistance and consideration. She exited the meeting at 11:20 a.m. The Committee members then went into Executive Session.

Committee members agreed that expenses appear to be out of hand in comparison to revenue and the trends are atypical. It was suggested that the Committee follow up with Canandaigua National Bank to get a better understanding of their relationship with K2 and to potentially request monthly financial reports and project updates should the loan application be approved. The Committee concurred that no final determination or recommendation would be made today due to the need for follow up questions and answers.

Ms. Camp supplied the Committee with an application preview for Red Creek Land Holding, LLC. RCLH is owned and operated by Joseph and Joel Dougherty, who also own Red Creek Cold Storage, LLC. RCLH is seeking financing to acquire Sodus Cold Storage, specifically a Revolving Loan Fund in the amount of \$500,000. It was mentioned that SCS has not been forthcoming with RCLH (e.g., financials and site visits/tour of facility) during the purchase process, which has conjured up some questions and concern. It was also noted that RCCS Operations is heavily reliant on one vendor (Great Lakes Cheese) with no lease contract in place; however, Committee members are optimistic about the current and future state of this relationship, along with this phase of acquisition. At this time, the WEDC is awaiting results of the Phase II Assessment.

The meeting adjourned at 11:57 a.m.

Sincerely,



Cadie Meehan, Assistant Secretary